

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3823-01
BILL NO.: HB 2147
SUBJECT: Education, Elementary and Secondary: Opportunity Scholarships
TYPE: Original
DATE: April 13, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$64,479)	(\$70,964)	(\$72,766)
Total Estimated Net Effect on <u>All</u> State Funds	(\$64,479)	(\$70,964)	(\$72,766)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	GREATER THAN (\$100,000)	GREATER THAN (\$100,000)	GREATER THAN (\$100,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Secretary of State's Office (SOS)** assume the rules, regulations and forms issued by the Department of Elementary and Secondary Education could require as many as approximately 6 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$22.50. The estimated cost of a page in the Code of State Regulations is \$26.50. The actual costs could be more or less the SOS's estimated cost of \$361.50 for FY 2001. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn. **Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume that depending on how the bill is implemented, DESE may need FTE to implement this program. For purposes of this fiscal note, these FTE are included as a cost.

DESE officials assume staff needed will be a Supervisor (1.00 FTE) and a Senior Secretary (1.00 FTE). These FTE would be needed to collect student level information in the academically deficient or unaccredited schools, and monitor where the student attends and the additional educational services purchased. The **Oversight Division** has included the Supervisor in the fiscal impact. DESE officials also assume there would be an information technology (IT) impact of approximately \$100,000 to establish a database and a process for obtaining and updating the information. The **Oversight Division** assumes DESE could accomplish the provisions of the proposal with existing information technology.

School districts with students choosing to attend a different district would experience a reduction in their funds as a result of payments to students for tuition and/or reasonable transportation costs to another public school or for supplemental educational services. The fiscal impact of transfers between school districts is not known but it is believed it could exceed \$100,000; however, the net statewide impact would be \$0 in terms of total district moneys statewide. The fiscal impact of district moneys going for supplemental educational services would be a net loss to districts statewide and is assumed to be greater than \$100,000.

ASSUMPTION (continued)

While the bill allows tuition and transportation payments to charter schools, other statutes disallow payment of tuition to charter schools (160.410(1) RSMo.), and only allow children to attend charter schools if the charter school is in the child's district of residence (160.415(2)8 RSMo.). Therefore, no impact is assumed for this provision.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

Cost-Department of Elementary and
 Secondary Education (DESE)

Personal Services (1 FTE)	(\$40,651)	(\$50,021)	(\$51,272)
Fringe Benefits	(\$12,500)	(\$15,381)	(\$15,766)
Expense and Equipment	<u>(\$11,328)</u>	<u>(\$5,562)</u>	<u>(\$5,728)</u>
Total <u>Cost-DESE</u>	<u>(\$64,479)</u>	<u>(\$70,964)</u>	<u>(\$72,766)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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SCHOOL DISTRICTS

Cost-School Districts

District payments for supplemental education services	GREATER THAN <u>(\$100,000)</u>	GREATER THAN <u>(\$100,000)</u>	GREATER THAN <u>(\$100,000)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposal would create the Opportunity Scholarship Act. Any student in either a school declared academically deficient or an unaccredited school district could be reimbursed by the school district in which he or she resides for tuition and transportation costs to any other public school in any other school district or to any charter school.

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DESCRIPTION (Continued)

Any student choosing to stay in a school declared academically deficient or an unaccredited school district who would choose to stay in such school would be reimbursed by the school district in which he or she resides for up to \$1,000 of supplemental educational services costs.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Secretary of State's Office

A handwritten signature in black ink, appearing to read "Jeanne Jarrett".

Jeanne Jarrett, CPA
Director
April 13, 2000